

FORM MR-AR (Revised 2/2001)

STATE OF UTAH DEPARTMNENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

1594 West North Temple Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 Telephone: (801) 538-5291 Fax: (801) 359-3940

ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

- 1. Report Time Period: From: 1/2003 To: 12/2003
- 2. DOGM File Number (Mine No.): M/045/004
- 3. Mine Name: Pine Canyon Reclamation Project
- 4. Mineral(s) Mined (or permitted to mine): Copper and associated metals
- 5. Type of Mine: ___ Surface Mine or _X Underground Mine
- 6. Legal Description, (Location of Land Affected):

Section 17, S1/2 SW1/4; Section 20, N1/2 NW1/4, W1/2 NE1/4, SE1/4 NE1/4, E1/2 SE1/4; Section 21, SW1/4 SW1/4; Section 28, W1/2 NW1/4; Section 29, NE1/4 NE1/4; Township 3 South, Range 3 West, Salt Lake Base and Meridian, Tooele County, Utah

7. Name of Operator or Company: Kennecott Utah Copper Corporation

8. Permanent Street Address:

8362 West 10200 South

City, State, Zip:

Bingham Canyon, Utah 84006

Phone:

(801) 569-7120

Fax:

(801) 569-7192

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DIV. OF OIL, GAS & MINING

Mailing Address:

P.O. Box 6001

8315 West 3595 South

City, State, Zip:

Magna, UT 84044

Phone:

(801) 569-7120

Fax:

(801) 569-7192

9. Company Representative (or designated operator):

Name:

Paula Doughty

Title:

Manager, Environmental Affairs and

Strategic Resources

Business Address:

P.O. Box 6001

City, State, Zip:

Magna, UT 84044

Phone:

(801) 569-7120

Fax:

(801) 569-7192

Please check if any of the above information has changed since previous year

II. Mining and Reclamation

1. Was the mine active during the past year? NO

2. If no – what was the last year of activity?

KUCC purchased the inactive property from Anaconda Minerals Co. in 1985.

3. If yes – how much ore or mineral was mined?

NA

4. Briefly describe the type of work performed, volume of materials moved, and any new or additional surface disturbances that occurred during the past year.

Water is continuously being pumped out of the shaft and is piped through the Pine canyon/Parvenu tunnel to the Bingham Canyon Mine where it is discharged to establish water collection systems. The water is being removed as part of the general pit dewatering program at the Bingham Canyon mine. The only other work was general systems maintenance, such as preventive maintenance on pumps.

5. How much additional acreage was disturbed during the year?

No additional acreage was disturbed in 2003.

6. How much acreage was reclaimed during the past year?

No reclamation took place in 2003.

7. Briefly describe the reclamation work performed during the past year (2003). This description should include methods employed, and an evaluation of the results.

No reclamation took place in 2003.

8. What is the total disturbed acreage of the entire project at years end (2003)?

The only disturbed acreage left in Pine Canyon are those sites identified in the 1988 reclamation plan that were left for long term use in the canyon (17.3 acres). These sites include the Pine Canyon tunnel portal and concrete flume, production shaft head frame, access road, the warehouse shop, culinary water system, water supply wells, power line to the wells, fresh water tank and a small waste rock pile adjacent to the head frame.

9. Briefly describe any mining and/or reclamation plans for the upcoming year.

Water will continue to be pumped out of the Carr Fork shaft and is then piped through the Pine Canyon/Parvenu tunnel to the Bingham Canyon Mine where it will be discharged to established water collection systems.

NOTE: Section III., "Additional Information" applies only to large mining operations.

III. Additional Information – R647-4-121.2 and .3

1. The operator shall include an updated map depicting the surface disturbance and reclamation performed during the year, prepare in accordance with Rule R647-4-105.

No new map of the area is attached because there have been no significant changes to the area since a map was submitted in 1998.

2. The operator shall keep and maintain timely records relating to his performance under the Act, and shall make these records available to the Division upon request.

Kennecott Utah Copper Corporation updates and maintains reclamation records and those records can be made available to the Division upon request. Water level data and analytical results for 2003 are attached.

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Print):

Paula Doughty

Title of Operator:

Manager Environmental Affairs and Strategic

Signature of Operator:

Date:

Resources
January 28, 2004

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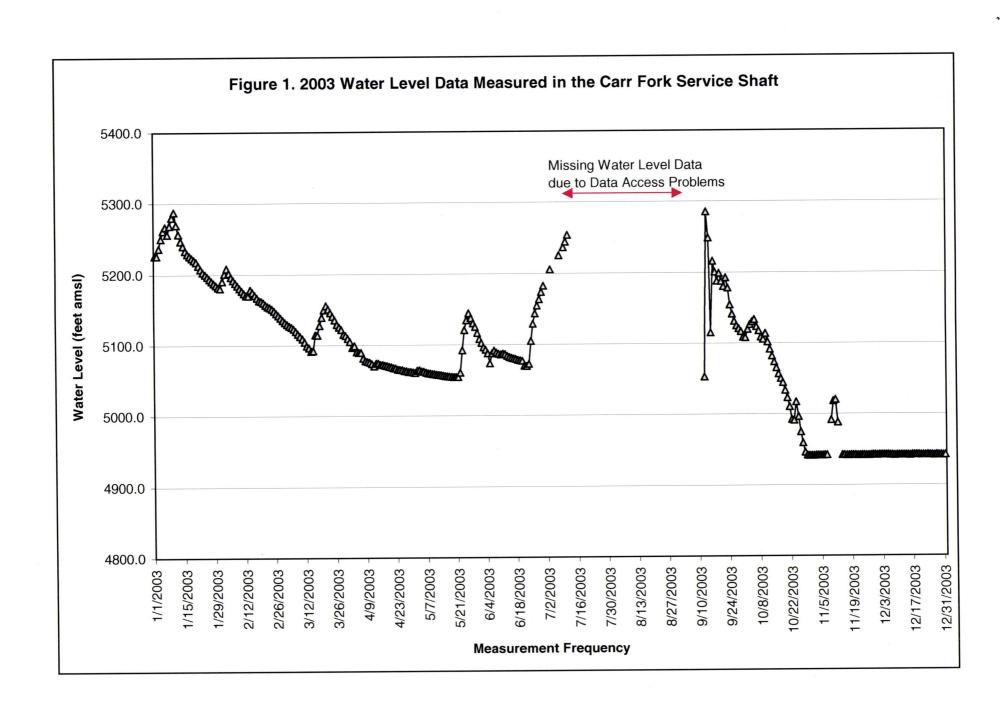


Table 1. 2003 Carr Fork service Shaft Analytical results

Field Parameters and Total Metals

Sample	Kennecott	Sample	Cond.	pН	Temp.	Alk.	TDS	Ca	Cl	K	Mg	Na	SO4
Description	Sample ID	Date	umhos/cm		°C	mg/L CaCO ₃	mg/L						
Carr Fork	BMS1356	1/22/03	2120	7.4	18	242	1930	402	15	4.5	130	18	1100
Service	_	5/12/03	1963	6.89	20	240	1770	392	19	3.04	122	14.8	1150
Shaft		9/29/03	2160	6.42	20	207	2150	457	18	3.6	130	15	1380
		12/18/03	1900	6.7	15.5	236	1810	377	18	3.7	113	15	1120

Dissolved Metals

Sample Description	Kennecott Sample ID	Sample Date	Ag ug/L	As ug/L	Ba ug/L	Cd ug/L	Cr ug/L	Cu ug/L	Fe ug/L	Ni ug/L	Pb ug/L	Se ug/L	Zn ug/L
Carr Fork	BMS1356	1/22/03	<1	27	16	<1	<10	<20	2250	<40	<5	<21	565
Service		5/12/03	<1	27	17	<1	<10	<20	1250	<40	7	<2 ²	771
Shaft		9/29/03	<1	49	19	7	<10	<20	5750	52	<5	<22	3210
		12/18/03	<1	45	22	<1	<10	<20	4750	<40	<5	<22	892

^{1 -} Hydride Method 2 - DRC Method

Kennecott Utah Copper Corporation 12000 West 2100 South P.O. Box 6001 Magna, Utah 84044-6001 Tel: (801) 569-7120 (Barney's) Fax: (801) 569-7192 (Barney's) Tel: (801) 569-7596 (Smelter EMC)

Fax: (801) 569-6408 (Smelter EMC)

m/045/004 2/06/04

Kennecott

Paula H. Doughty
Manager, Environmental Affairs and

Strategic Resources

January 28, 2004

Mr. Wayne Hedberg, Permit Supervisor Minerals Reclamation Program Division of Oil, Gas and Mining 1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 PECEIVED

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DIV. OF OIL, CAS & MINING

Subject:

Annual Reports for 2003, Kennecott Utah Copper Corporation

Dear Mr. Hedberg,

Enclosed are the completed annual reclamation report forms for the following Kennecott Utah Copper Corporation (KUCC) DOGM permits:

M/035/002	Bingham Pit and UCD Modernization (Active)
M/035/011	4 th Line / Copperton Concentrator (Active)
M/035/015	North Impoundment / Saltair / Tailings (Active)
M/035/004	Pine Canyon Reclamation Project (Inactive)

As in previous years reports, all disturbed and reclaimed acreage on the Magna Tailings Impoundment are reported under permit number M/035/002. Approximately 180 acres of land was disturbed for development by Kennecott Land Company within the M/035/002 permit boundary, however his was not added to the total disturbed area since it was not mining-related.

Some information has changed since the previous year. Paula Doughty will be the company representative, or designated contact for all four sites. In addition, both a mailing address and a physical address has been included in question number 8.

In 2003, KUCC spent approximately \$1,970,000 dollars on reclamation activities within the boundaries of permit M/035/002. These costs included purchase of seed, fertilizer, surface preparation and rental of equipment. They also included maintaining a sprinkler irrigation system for the Magna Tailings Impoundment. After correcting for inflation, this equates to \$663,445 spent in 1978 dollars. This is well in excess of the \$50,000 annual expenditure required by permit #M/035/002.

If you have any questions about these annual reports, please contact me at 569-7120.

Paula Doughty

Manager Environmental Affairs

and Strategic Resources